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15.10000 AUDIT COMMITTEE CHARTER

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15.10010 Statement of Policy

The District's Governing Board has the responsibility to District residents and taxpayers to properly account for public funds. In keeping with the adopted principles of sound financial management, the Governing Board establishes an Audit Committee to assist in its oversight responsibilities.

15.10011 Authority

The primary responsibility for the District's financial reporting and internal operating controls is vested in senior management as overseen by the Governing Board (Board) through its Audit Committee. The Audit Committee is a standing committee of the Governing Board. Its principal responsibilities are to see that appropriate accounting policies and internal controls are established that promote accountability and that the District issues financial statements and reports on time and in accordance with its legal obligations. The Audit Committee appointed by the Governing Board Chairman will be composed of at least five Board members. The duties and responsibilities of a member of the Audit Committee are in addition to those duties set out for a member of the Governing Board.

The Board authorizes the Audit Committee to adopt reasonable rules of procedure to govern the conduct of its business, the scheduling of meetings, establishment of a quorum and other administrative matters. The Audit Committee shall furnish a copy of any adopted rules to the Board. The Audit Committee will be given adequate support to discharge its responsibilities.

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The Audit Committee shall ensure that the independent certified public accountants and the Inspector General will have unrestricted access to District personnel and public documents. The Audit Committee will meet on a quarterly basis, or more frequently as circumstances require and report its actions to the Governing Board with such recommendations as the Committee may deem appropriate.

15.10020 Responsibilities

1. Financial Reporting

The responsibility of the Audit Committee in the area of financial reporting is to provide assurance that financial disclosures made by management reasonably portray the District's financial condition, results of operations and plans, and long-term commitments. To accomplish this, the Audit Committee will:


- a. Nominate the independent certified public accountants to the Governing Board based upon a review of staff's selection process and proposed fees.
- b. Consult with the independent certified public accountants, the Inspector General, and management on the audit scope.
- c. Provide an open avenue of communications between the internal auditors, the independent certified public accountants, and the Governing Board.
- d. Review with management and the independent certified public accountants at the completion of their annual examination:
 - The District's annual financial statements and management letters, including management responses and plans to address the resulting recommendations.

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- Any significant changes required in the independent accountants' audit plan.
 - Any serious difficulties or disputes with management encountered during the course of the audit.
 - Any matters related to the conduct of the audit, which are to be communicated to the committee under generally accepted auditing standards.
- e. Consult with the independent certified public accountants concerning the strengths and weaknesses of the organization's financial staff, systems, internal controls, and other factors that pertain to the integrity of published financial reports.
 - f. Review independent certified public accountants' performance.
 - g. Recommend, when appropriate, the discharge of the independent certified accountant to the Governing Board.
 - h. Review policies and management decisions related to accounting and recommend policy changes to the Governing Board particularly those that result in any significant accounting accruals, reserves or estimates that had or may have a material impact on the financial statements.
 - i. Review accounting changes or regulations proposed or adopted by bodies such as the Financial Accounting Standards Board, the Government Accounting Standards Board, and the Securities Exchange Commission that may materially affect the District.


2. District Governance

The Audit Committee will provide assurance to the Governing Board that District programs are in compliance with pertinent laws and regulations and are operating in accordance with sound business practices. Also, that


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District management is conducting District affairs ethically and is maintaining effective controls against employee conflict of interest, errors, and fraud. To accomplish this, the Audit Committee will:

- a. Review District policies relating to compliance with laws and regulations, ethics, conflict of interest, and the investigation of misconduct or fraud.
- b. Review significant cases of employee conflict of interest, errors, or fraud.
- e. Review the Inspector General's annual work plan to determine that audit objectives and goals, staffing plan, budget, and audit schedules provide for adequate support of the Audit Committee's responsibilities. Apart from the annual work plan, direct the Inspector General to study any particular areas of interest or concern that may occasionally arise.
- f. Direct the Inspector General to conduct investigations into any matters within the committee's scope of responsibilities.
- g. Review and approve the audit reports issued in conjunction with the Inspector General's work plan, special audit work, including management responses and plans to address those areas identified during the audits.
- h. Discuss with the Inspector General and the independent certified public accountants the adequacy of the District's electronic data processing internal controls and procedures and inquire about the existence and adequacy of specific security programs to protect against computer fraud or misuse from within and outside the District.
- i. Require the Inspector General to report in writing annually on the activities of the office. Such report shall include, but need not be limited to:

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- A description of activities relating to the development, assessment, and validation of performance measures.
 - A description of significant abuses and deficiencies relating to the administration of programs and operations of the District disclosed by investigations, audits, reviews, or other activities during the reporting period.
 - A summary of each audit and investigation completed during the reporting period.
- h. Review and monitor implementation of management's response to independent certified public accountants and Inspector General's recommendations. The Inspector General will follow up on actions taken by management to implement audit recommendations. The Inspector General shall report at least annually the results of follow-up activity. Such report shall include, but need not be limited to:
- A description of the recommendations for corrective action made by the Inspector General with respect to significant problems, abuses, or deficiencies identified.
 - An identification of the responsible District Department and the status of implementation.
- i. Review consultant reports such as cost allocation plans and fee studies.
- j. Assure necessary assistance is provided to other governmental agency auditors, including:
- Access to District personnel and documents as appropriate,
 - Timing of auditors' visit, and
 - Coordination with Inspector General.


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- k. Periodically review and recommend changes to the Internal Audit Charter to the Governing Board that explain the functional and organizational framework for providing services to management and to the Audit Committee, including the purpose, responsibility, authority and reporting relationships of the Office of Inspector General.
- l. Recommend appointment and termination of the Inspector General to the Governing Board. The Audit Committee will be jointly responsible for the evaluation of the Inspector General's performance and related compensation. The percentage weight of the evaluation panel's review will be as follows:

Audit Committee Chairman	25%
Audit Committee Vice Chairman	25%
Remaining 50% Divided Equally Among All Other Audit Committee Members	50%
Total	100%

15.10097 Delegation of Authority

Delegation of Authority		Type of Authority
From	To	
Governing Board	Audit Committee	Assist Governing Board in fulfilling the District's fiduciary and statutory responsibilities.
Governing Board	Audit Committee	Authority to perform the financial reporting activities outlined in this charter.
Governing Board	Audit Committee	Authority to perform the District governance activities outlined in this charter.
Audit Committee	Executive Director	Assist the Audit Committee by providing procurement support towards the selection of the independent certified public accountant to perform the annual financial audits.
Audit Committee	Inspector General	Assist the Audit Committee Chair by providing planning and administrative support necessary for conducting committee meetings.

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Delegation of Authority		Type of Authority
From	To	
Audit Committee	Inspector General	Conduct, supervise, or coordinate investigations, performance, financial, compliance and electronic data processing audits of all departments, offices, activities and programs in accordance with F.S. §20.055 <i>Agency Inspector General</i> .